

House Engrossed

State of Arizona
House of Representatives
Forty-seventh Legislature
First Regular Session
2005

CHAPTER 16

HOUSE BILL 2287

AN ACT

AMENDING SECTION 15-2031, ARIZONA REVISED STATUTES; RELATING TO THE SCHOOL
FACILITIES BOARD.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-2031, Arizona Revised Statutes, is amended to
3 read:

4 15-2031. Building renewal fund; definitions

5 A. A building renewal fund is established consisting of monies
6 appropriated by the legislature and monies credited to the fund pursuant to
7 section 42-5030.01. The school facilities board shall administer the fund
8 and distribute monies to school districts for the purpose of maintaining the
9 adequacy of existing school facilities. Monies in the fund are continuously
10 appropriated and are exempt from the provisions of section 35-190 relating to
11 lapsing of appropriations.

12 B. The school facilities board shall inventory and inspect all school
13 buildings in this state in order to develop a database to administer the
14 building renewal formula. The database shall include the student capacity of
15 the building as determined by the school facilities board. The board shall
16 distribute monies from the building renewal fund to school districts in an
17 amount computed pursuant to subsection G of this section. A school district
18 that receives monies from the building renewal fund shall use the monies
19 primarily for any buildings in the database developed or created under
20 subsection D of this section and secondly for any other buildings owned by
21 the school district for any of the following:

- 22 1. Major renovations and repairs of a building.
- 23 2. Upgrading systems and areas that will maintain or extend the useful
24 life of the building.
- 25 3. Infrastructure costs.
- 26 4. Relocation and placement of portable and modular buildings.

27 C. Monies received from the building renewal fund shall not be used
28 for any of the following purposes:

- 29 1. New construction.
- 30 2. Remodeling interior space for aesthetic or preferential reasons.
- 31 3. Exterior beautification.
- 32 4. Demolition.
- 33 5. The purchase of soft capital items pursuant to section 15-962,
34 subsection D.
- 35 6. Routine maintenance except as provided in section 15-2002,
36 subsection K and subsection J of this section.

37 D. The school facilities board shall maintain the building renewal
38 database and use the database for the computation of the building renewal
39 formula distributions. The board shall ensure that the database is updated
40 on at least an annual basis to reflect changes in the ages and value of
41 school buildings. The facilities listed in the database shall include only
42 those buildings that are owned by school districts that are required to meet
43 academic standards. Each school district shall report to the school
44 facilities board no later than September 1 of each year the number and type
45 of school buildings owned by the district, the square footage of each

1 building, the age of each building, the nature of any renovations completed
2 and the cost of any renovations completed. The school facilities board may
3 review or audit, or both, to confirm the information submitted by a school
4 district. The board shall adjust the age of each school facility in the
5 database whenever a building is significantly upgraded or remodeled. The age
6 of a building that has been significantly upgraded or remodeled shall be
7 recomputed as follows:

8 1. Divide the cost of the renovation by the building capacity value of
9 the building determined in subsection G, paragraph 3 of this section.

10 2. Multiply the quotient determined in paragraph 1 of this subsection
11 by the currently listed age of the building in the database.

12 3. Subtract the product determined in paragraph 2 of this subsection
13 from the currently listed age of the building in the database, rounded to the
14 nearest whole number. If the result is negative, use zero.

15 E. The school facilities board shall submit an annual report to the
16 president of the senate, the speaker of the house of representatives, the
17 Arizona state library, archives and public records and the governor by
18 October 1 that includes the computation of the amount of monies to be
19 distributed from the building renewal fund for the current fiscal year. The
20 joint committee on capital review shall review the school facilities board's
21 calculation of the building renewal fund distributions. After the joint
22 committee on capital review reviews the distributions computed by the school
23 facilities board, the school facilities board shall distribute the monies
24 from the building renewal fund to school districts in two equal installments
25 in November and May of each year.

26 F. School districts that receive monies from the building renewal fund
27 shall establish a district building renewal fund and shall use the monies in
28 the district building renewal fund only for the purposes prescribed in
29 subsection B of this section. Ending cash balances in a school district's
30 building renewal fund may be used in following fiscal years for building
31 renewal pursuant to subsection B of this section. By October 15 of each
32 year, each school district shall report to the school facilities board the
33 projects funded at each school in the previous fiscal year with monies from
34 the district building renewal fund, an accounting of the monies remaining in
35 the district building renewal fund at the end of the previous fiscal year and
36 a comprehensive ~~five-year~~ THREE YEAR plan that details the proposed use of
37 building renewal monies. If a school district fails to submit the report by
38 October 15, the school facilities board shall withhold building renewal
39 monies from the school district until the school facilities board determines
40 that the school district has complied with the reporting requirement. When
41 the school facilities board determines that the school district has complied
42 with the reporting requirement, the school facilities board shall restore the
43 full amount of withheld building renewal monies to the school district.

44 G. Notwithstanding any other provision of this chapter, if a school
45 district converts space that is listed in the database maintained pursuant to

1 this section to space that will be used for administrative purposes, the
2 school district is responsible for any costs associated with the conversion,
3 maintenance and replacement of that space. The building renewal amount for
4 each school building shall be computed as follows:

5 1. Divide the age of the building as computed pursuant to subsection D
6 of this section by one thousand two hundred seventy-five or, in the case of
7 modular or portable buildings, by two hundred ten.

8 2. Multiply the quotient determined in paragraph 1 of this subsection
9 by 0.67.

10 3. Determine the building capacity value as follows:

11 (a) Multiply the student capacity of the building by the per student
12 square foot capacity established by section 15-2041.

13 (b) Multiply the product determined in subdivision (a) of ~~this~~
14 paragraph by the cost per square foot established by section 15-2041.

15 4. Multiply the product determined in paragraph 2 of this subsection
16 by the product determined in paragraph 3, subdivision (b) of this subsection.

17 H. If the school facilities board determines that a school district
18 has spent monies from the building renewal fund for purposes other than those
19 prescribed in subsection B of this section, the school facilities board shall
20 notify the superintendent of public instruction. Notwithstanding any other
21 law, the superintendent of public instruction shall withhold a corresponding
22 amount from the monies that would otherwise be due the school district under
23 the capital outlay revenue limit until these monies are repaid.

24 I. Beginning on July 1, 2002, a school district is not entitled to
25 receive monies from the building renewal fund for any buildings that are to
26 be replaced with new buildings that are funded with deficiencies corrections
27 monies pursuant to section 15-2021. The replacement buildings are not
28 eligible to receive building renewal funding until the fiscal year following
29 the completion of the building.

30 J. Notwithstanding subsections B and C of this section, a school
31 district may use eight per cent of the building renewal amount computed
32 pursuant to subsection G of this section for routine preventative
33 maintenance. The board, after consultation with maintenance specialists in
34 school districts, shall provide examples of recommended services that are
35 routine preventative maintenance.

36 K. A school district that uses building renewal monies for routine
37 preventative maintenance shall use the building renewal monies to supplement
38 and not supplant expenditures from other funds for the maintenance of school
39 buildings. The auditor general shall prescribe a method for determining
40 compliance with the requirements of this subsection. A school district, in
41 connection with any audit conducted by a certified public accountant, shall
42 also contract for an independent audit to determine whether the school
43 district used building renewal monies to reduce the school district's
44 existing level of routine preventative maintenance funding. The auditor

1 general may conduct discretionary reviews of a school district that is not
2 required to contract for an independent audit.

3 L. For the purposes of this section:

4 1. "Routine preventative maintenance" means services that are
5 performed on a regular schedule at intervals ranging from four times a year
6 to once every three years and that are intended to extend the useful life of
7 a building system and reduce the need for major repairs.

8 2. "Student capacity" has the same meaning prescribed in section
9 15-2011.

APPROVED BY THE GOVERNOR APRIL 1, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 1, 2005.

Passed the House March 3, 2005

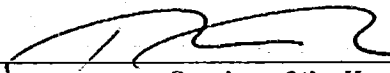
Passed the Senate March 24, 2005


by the following vote: 54 Ayes,

by the following vote: 28 Ayes,

0 Nays, 6 Not Voting

2 Nays, 0 Not Voting


Speaker of the House
Pro Tempore
Herman L. Moore
Chief Clerk of the House


President of the Senate
Charmine Bellington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

28th day of March, 2005


at 2:14 o'clock P. M.

Wendie H. Barra
Secretary to the Governor

Approved this 1 day of

April, 2005,

at 11:10 o'clock A M.


Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 1 day of April, 2005

at 2:23 o'clock P. M.

Janice K. Brewer
Secretary of State